

CO-OPERATIVES AND SOCIAL CHANGE

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CO-OPERATIVES

UPON TAKING OFFICE THE LABOR GOVERNMENT INHERITED MANY PROGRAMS FROM OUR PREDECESSORS. IN EMPLOYMENT AND TRAINING THE CO-OPERATIVE DEVELOPMENT PROGRAM WAS PROBABLY THE ONLY ONE WHICH DIDN'T HAVE A NAME LIKE A NEW DETERGENT. IT WAS ALSO ONE WHICH THE GOVERNMENT HAS CONTINUED TO SUPPORT.

I HAVE CONTINUED TO SUPPORT THE PROGRAM BECAUSE I BELIEVE IT ADDRESSES TWO MAJOR ISSUES: LONG TERM JOB CREATION AND DEMOCRATIC WORK ORGANISATION.

THE VIABILITY OF CO-OPERATIVES IS THE ESSENTIAL ELEMENT OF THE FIRST. STRONG LINKS WITH THE LABOUR MOVEMENT ARE NECESSARY FOR THE SECOND.

OVERSEAS EXPERIENCE INDICATES THAT WORKERS CAN SUCCESSFULLY OWN AND CONTROL VIABLE BUSINESSES. IN FRANCE, ITALY, SPAIN AND BRITAIN MANY THOUSANDS OF WORKERS ARE EMPLOYED IN WORKER CO-OPERATIVES.

THE WORKER CO-OPERATIVES IN FRANCE AND ITALY HAVE PURSUED PROFITABILITY AND VIABILITY WITHOUT SACRIFICING THEIR COMMITMENT TO CO-OPERATIVE PRINCIPLES. THESE FRENCH AND ITALIAN CO-OPERATIVES PLAY AN IMPORTANT ROLE IN THE ECONOMY. THEY ARE CLOSELY ASSOCIATED WITH THE LABOUR MOVEMENT.

I BELIEVE WE CAN LEARN MUCH FROM THEIR EXPERIENCE. I HOPE TO VISIT THESE CO-OPERATIVES THIS YEAR, AND TO MAKE RECIPROCAL ARRANGEMENTS WITH THEM.

THERE IS ALSO CONSIDERABLE CO-OPERATIVE ACTIVITY IN AUSTRALIA, AND PARTICULARLY VICTORIA WHERE THERE WERE 1446 REGISTERED CO-OPERATIVES IN JUNE 1981 WITH OVER HALF A MILLION MEMBERS.

THESE CO-OPERATIVES ARE PREDOMINANTLY COMMUNITY ADVANCEMENT SOCIETIES, CREDIT UNIONS AND TRADER AND PRODUCER SOCIETIES. MOST OF THE TRADER AND PRODUCER SOCIETIES ARE AGRICULTURE AND RURAL BASED BUSINESS ENTERPRISES.

AUSTRALIA'S CO-OPERATIVES ARE NOT CLOSELY IDENTIFIED WITH THE LABOUR MOVEMENT. IT IS NOT SURPRISING THEN, THAT NONE HAVE BEEN WORKER-OWNED OR CONTROLLED. IN FACT, IT IS IN THE NON-CO-OPERATIVE BUSINESS ENTERPRISES, SUCH AS DYNAVAC AND MODERN MAID WHICH ARE CLEARER EXAMPLES OF WORKER OWNERSHIP AND CONTROL.

WORKER AND COMMUNITY OWNED CO-OPERATIVES SHOULD BE A TESTING GROUND FOR DEVELOPING NEW FORMS OF WORK ORGANISATION WHICH CHALLENGE TRADITIONAL ORGANISATION PRACTICES.

THEY ALSO PROVIDE AN OPPORTUNITY FOR MEETING IN PART, AT LEAST, THE CHALLENGE OF PERSISTING AND DEEPENING STRUCTURAL UNEMPLOYMENT.

AS I SAID BEFORE, I, AND THE GOVERNMENT, ARE ANXIOUS TO ADDRESS THESE ISSUES. TO DO SO PROPERLY WE MUST BE REALISTIC ABOUT THE POTENTIAL AND LIMITATIONS OF CO-OPERATIVES, PARTICULARLY THOSE CO-OPERATIVES FUNDED UNDER MY MINISTRY'S PROGRAM.

THE PROGRAM WAS ESTABLISHED IN APRIL 1981 WITH AN INITIAL ALLOCATION OF \$600,000. FOR 1982/83 THE ALLOCATION WAS INCREASED TO \$850,000. COMPLEMENTING THE FUNDING IS SUPPORT FROM THE CO-OPERATIVE BUSINESS AND EDUCATION AND TRAINING UNITS.

MOST OF THE CO-OPERATIVES IN OUR PROGRAM ARE SMALL AND LABOUR INTENSIVE. THEY ARE NOT REPRESENTATIVE OF THE LARGE, COMPLEX ENTERPRISES WHICH DOMINATE THE AUSTRALIAN ECONOMY.

ALMOST HALF ARE INFORMATION BASED CO-OPERATIVES. THIS IS AN IMPORTANT FEATURE, WHICH INDICATES NOT ONLY THE INCREASING ROLE OF THIS SECTOR IN SOCIETY, AND ITS POTENTIAL ECONOMIC VIABILITY BUT ALSO A DEVELOPING POTENTIAL FOR REPRESENTING THE INTERESTS OF A POLITICALLY AND ECONOMICALLY DEVELOPED CO-OPERATIVE MOVEMENT.

THE FOOD INDUSTRY IS ALSO WELL REPRESENTED. THE CO-OPERATIVES MAKE NONE OR SMALL PROFITS. THE PARTICIPANTS ARE USUALLY YOUNG AND MIDDLE CLASS; THE CO-OPERATIVES ARE LINKED MORE TO THE ALTERNATIVE LIFESTYLE MOVEMENT THAN THE LABOUR MOVEMENT OR OTHER POLITICAL FORCES.

THE PROGRAM HAS SHOWN THAT DEVELOPING A VIABLE CO-OPERATIVE BUSINESS IS DIFFICULT AND EXACTING. THE PROGRAM IS ATTEMPTING TO ESTABLISH WHETHER OR NOT IT IS POSSIBLE TO ESTABLISH WORKER AND/OR COMMUNITY CO-OPERATIVES.

THE MARRYING TOGETHER OF THE TWO CONCEPTS - CO-OPERATIVE AND BUSINESS - IS ESSENTIAL. WITHOUT THIS MARRIAGE THE CO-OPERATIVE PROGRAM WOULD, IN MY VIEW, BE FUTILE.

MY MINISTRY HAS INTRODUCED A SHORT-TERM JOB CREATION PROGRAM. I THINK THIS IS AN IMPORTANT ACHIEVEMENT. BUT I AM AWARE THAT THE SHORT TERM NATURE OF THE JOBS IS A LIMITATION. I KNOW TOO, THAT GOVERNMENT RESOURCES ARE LIMITED. LONG-TERM JOB CREATION IS ESSENTIAL, AND IN THE LONG RUN CHEAPER. CO-OPERATIVES MUST BE VIABLE BUSINESS ENTERPRISES IF THEY ARE TO FULFIL THIS ROLE. IF THEY ARE NOT, MY COLLEAGUES IN CABINET WILL WANT TO KNOW WHY THE MONEY IS NOT GOING TO CONVENTIONAL SMALL BUSINESSES.

THE ANSWER MUST BE, OF COURSE, THAT THROUGH CO-OPERATIVES WE GET LONG-TERM JOBS AND MORE DEMOCRATIC WORK ORGANISATION. WE MUST BE ABLE TO DEMONSTRATE THAT THE TWO CAN BE DONE TOGETHER.

THE EVALUATION OF THE CO-OPERATIVE DEVELOPMENT PROGRAM IS UNDERWAY. I EXPECT THAT IT WILL HELP IN IDENTIFYING AN APPROPRIATE STRATEGY FOR MEETING THE GOVERNMENT'S COMMITMENT TO INDUSTRIAL DEMOCRACY AND LONG-TERM JOB CREATION.

A STEERING COMMITTEE TO ASSIST IN THE EVALUATION HAS BEEN ESTABLISHED. THIS COMMITTEE HAS BEEN WORKING ON THE PREPARATION OF AN EVALUATION BRIEF. IT WILL SELECT AND SUPERVISE A CONSULTANT AND MAKE RECOMMENDATIONS ON A SUBSEQUENT EVALUATION REPORT. THE COMMITTEE DOES NOT INCLUDE CO-OPERATIVE INTERESTS WHO ARE RECIPIENTS OF FUNDING UNDER THE PROGRAM. IT WOULD BE INAPPROPRIATE FOR THOSE WHO HAVE A PECUNIARY INTEREST IN THE PROGRAM TO DETERMINE WHETHER OR NOT THEIR BENEFIT SHOULD CONTINUE.

HOWEVER, I AND THE STEERING COMMITTEE ARE ANXIOUS THAT THE VIEWS OF CO-OPERATIVES IN THE PROGRAM ARE KNOWN. THE PREVIOUSLY ANNOUNCED DEPARTMENTAL REVIEW OF THE PROGRAM WILL PROCEED AS A COMPLEMENTARY PROCESS. I WOULD EMPHASISE THAT GROUPS ARE REQUESTED TO MAKE SUBMISSIONS ON THE PROGRAM BY MARCH 7, 1983, AND ATTEND A MEETING AT THE MINISTRY AT THE END OF MARCH. A DISCUSSION PAPER AND QUESTIONNAIRE WILL BE DISTRIBUTED SHORTLY.

TO EARN CONTINUING GOVERNMENT SUPPORT, CO-OPERATIVES MUST BE ECONOMICALLY VIABLE, PROVIDE SECURE EMPLOYMENT, OPERATE DEMOCRATICALLY AND PROVIDE SUPERIOR WORKING CONDITIONS. I AM HOPING THAT THE EVALUATION WILL, WITH YOUR ASSISTANCE, PROVIDE THE BASIS FOR DEVELOPING POLICIES AND PROGRAMS FOR INDUSTRIAL DEMOCRACY, AND LONG-TERM JOB CREATION WHICH WOULD SERVE AS MODELS FOR STATE AND FEDERAL GOVERNMENTS TO ADOPT.

I HOPE THAT YOUR DELIBERATIONS AT THIS WEEK-END'S SEMINAR WILL AID AND ABET THIS PROCESS.

THANK YOU.